G. R. S. IX-5]

1894 -- 900 P58

Previous references.

File No. 874/13

191 .

Serial Nos. 1—1

(G. elle)

Later references.

Sl. 18-19, 20-23,
24-28, 29-43, 44-73.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B for

SUBJECT.

Arrangement with the Mining Comp.
for Kaveri Power Transm.

Indexed

W D 88—GPB—60,000—24-7-16

Date

Memorandum.

I have studied the Draft agreement marked B
The first question connected with this - as compared with the former Draft - is the greater quantity of Electrical Horse Power now proposed - namely 6,285 against only 3,000 before proposed. The difference 3,285 HP represents apparently the power required for Electrically driven Air Compressors, which the State has to supply. Before agreeing to supply these Compressors, we should know what they are likely to cost. Very probably they will cost a good deal more than £4 per HP, but this excess

ones £4 is to be refunded to us by Taylor & Sons in the 2nd year. The idea seems to be that up to £4 should be covered by the £29 payment provided for the first year.

From what I remember of the figures given by Captain Lotbiniere in his previous letters, the Contract for supply of 3000 HP and for 6286 HP will cost as follows:—

A for 3000 HP

	Cable
Generation & Transmission (@ 24 cables per 5000 HP)	14½
Distribution apparatus at mines at say £15 per HP	6¾
Local Works on Island say	2¾
Total	23

* I think Captain Lotbiniere said in one of his letters that £10 would be sufficient, but let us take the

larger figure he gives as a maximum limit.

B. For 6285 HP or in round figures 6250 HP.

	Lakhs
Generation & Transmission	30
Distribution apparatus at the mines at £15 per HP ———	14
Local Works - say ———	5
	49.

Add.

Cost of Electrically driven Air Compressors - £4 per HP which the State has to bear for 3285 HP about — . . 2

Remainder of cost repayable by Lagos Town in 2½ year - say ——— 4/6 —

Total Outlay 55.

In the present Condition of the Treasury, I am not particularly keen about taking up the larger Scheme (costing 55 lakhs) immediately, unless Captain A. Joly de Lotbiniere can adduce very strong reasons. The smaller Scheme for 3000 HP costing about 23 lakhs may well

&c

be our first instalment of the proposed works, and we may reserve the Compressors for the 2nd instalment. His opinion need not be regarded as final, for, if I can readily finance for the larger scheme, then we may at once do the larger scheme, if on pro-fessional grounds it is advisable to do it now. About our financial ability I expect to be able to say something definite early in January as by that time I expect to know the result of certain negociations I am now carrying on. Meanwhile let us have the fullest information regarding the cost of Compressors and the special

Special advantages of providing them at once. I hope Clause (9) of the agreement is not due to Messrs Taylor & Sons' doubts about Electrically driven Air Compressors, continuity of supply of Power for them &c.

I now proceed to add a few remarks on the Draft agreement B, with Messrs Taylor & Sons, received with Captain Lotbinière's letter dated 23rd October 1899 and I shall do this, taking each paragraph of the Draft agreement seriatim.

Preamble. The proper full designation of the State is "The Government of His Highness the Maharaja of Mysore". This may be used and it may be referred to in other parts of the agreement as "Government".

Paras 1 and 2. No remarks.

Para 3. I note with satisfaction that it is now settled that Messrs Taylor & Sons are to pay us £29 per H.P. in the first year, in consideration of our undertaking to supply the distribution apparatus at the Mines, to work the same for one year and to hand it over to the Mines at the end of the year.

This arrangement is very good and Captain Lafbinière should be informed that we approve of it. But in order to properly carry it out, we must have a firm agreement with the Manufacturers to supply and to set up and successfully to work the whole of the distribution appa-ratus for a price to be

be mutually agreed upon. The invitation for tenders for the Generation, Transmission &c. plant, has already been sent to some firms. Would it not be advisable to ask the same firms at once to tender also for the Distribution Plant and for working it one year, instead of reserving the same for separate subsequent arrangement with the particular firms whose tender for the Generation &c. Plant may be accepted? I make this remark by way of a suggestion merely. Captain Lothimiere will have to decide according to what is feasible. In any case we should, before signing the agreement, have a very reliable and exact estimate of what the

the Distribution Plant will cost per HP, and also what Electrically driven air Compressors will cost per HP. And it is very desirable that the Manufacturers should be bound to us, as regards successful working to the exact extent to which we bind ourselves to Messrs Taylor & Sons. This is one important point to bear in mind throughout all these negociations

Para 4. I quite approve of distinct provision that the Government is not liable for any accident or a breakdown.

If the word "uncontrollable" is entered, our exemption from responsibility is only nominal, not more than what we would have

have under the last clause (18). For, it can easily be shown that except causes mentioned in clause (18), everything else can be controlled by sufficient care and forethought. I would omit the word "uncontrollable". What will manufacturers agree to in 1st Year?

We must not take (as already pointed out) any responsibility which they will not accept during their management.

I would take bodily para 6 of the Rules of the Lachine Rapids Hydraulic and Land Company for supply of Power Service in lieu of the last sentence of this para, as follows:-

"In case the supply

of

of current should be in-
-terrupted or fail, whether
from natural causes or
accident in any way,
the Government shall
not be liable for damage
of such interruption or
failure, nor considered
in default, provided
it use reasonable deli-
-gence to restore said
supply, nor shall it
be liable in any event
for damage to person
or property arising,
accruing or resulting
from the use of the
current."

Para 7(a). This calculation
of H.P. I suppose, is
for work during 24
hours. If so, it should
be made clear. How
are we going to regulate
the supply to Machinery
which works only during
a part of the 24 hours
each day.

7(b). Council- this method be adopted for all machinery instead of the previously mentioned method of gauging the HP of Steam Engines now used? What is the difference between the two methods? and how will either method affect our interests.

Para 8. If the sum is considerable, it may be paid by equal quarterly instalments during the second Year.

I would prefer monthly payments of price for power supplied, and Taylor & Sons may have say a months time in which to pay the price of power used in the previous month. Certainly the payment should be in Pounds,

and

× i.e. Price of Electrically driven Air Compressors over £4 per HP.

and made in England. At present the Royalty is paid in Pounds in England in monthly instalments. Monthly payments I think will suit Messrs Saylor & Sons quite as well as Quarterly ones. My remarks in this para are made under the impression that Monthly payments would facilitate our financial arrangements. I am not very particular, and we accept what suits Messrs Saylor & Sons.

Para 9. etc. for as I can understand this, this seems rather unfavourable to us. We go to the expense of transmitting the Power to the Mines and supplying the Distribution Machinery &c., and if Messrs Saylor & Sons don't take what they

they now agree to take for five years, we shall simply waste all that they don't take. I hope Captain Labbinière will effect the most favorable terms possible. At any rate "One-fourth of the sum payable in that year in respect of the total Amount of Power installed" seems too large a fraction to remit. In the converse case (para 12) the allowance is only one-tenth and this is a reasonable fraction to remit. Moreover, the remission should not be a fraction of the whole of the power installed for service of the whole of the mines in the field. Each Mine will have one or more separate

installations and the fraction to be remitted may well be in respect of each separate installation at a mine. Supposing they don't want the whole of the Power out of a particular installation, they may have remission to the extent of the cost of 1/10th of that Power, but not to the extent of a fraction of the cost of the entire Power installed at the Mines. This seems to be very important, and as far as I can understand the subject it is required for our protection against undue remission.

From this and other Considerations it is desirable that in Establishing the Distribution

Mond

Plant, we should take special care to make the installation for Each Mine quite in-dependent, & where possible, give each Mine independent installations for different machines. This last remark is made under the idea that the cost would not be prohibitive.

Para 12. This requires careful study and some alteration seems desirable. Here again the Calculation should be made upon each separate independent installation.

Para 15. This may perhaps be made somewhat clearer. See para 3 of Rules of Lachine Rapids Hydraulic and

and Land Company for supply of Power Service. The remission clause (9) makes it all the more desirable to lay down adequate protection against possible diversion. A careful system of distribution would simplify this and other matters.

Para 16. The words "with the concurrence of John Taylor & Sons" should be omitted, otherwise John Taylor & Sons would practically be nominating two members against the one nominated by us. The Resident is quite a neutral party, and as the Representative of the British Government, he should have absolute

absolute authority to make his nomination, after considering any recommendation which Messrs Taylor & Sons as well as the Government may wish to make - Beyond recommending neither party should have a voice in the matter.

The latter portion of this para which provides for a London Arbitration would be most inconvenient for us. If it is unavoidable, Captain Lothbinière should consider the best means for proper representation of our interests in London. I am afraid we would want a standing Counsel-

there

there and he should be a Scientific and a business man.

Is there any precedent for such a provision for appeal against the decision of a local Committee of Experts? The Arbitrator appointed by one party should not of course proceed to decision without sufficient notice of his Appointment to the other party. The procedure is a very troublesome one and if really required, it has to be drawn up with great care according to precedents in similar Cases.

Conclusion — All Contracts of the Mysore Govern-
ment

annum in the Single item of Coal and this Sum will be available for increased dividends to Shareholders. Thus the Electrical Power Scheme will be of special benefit to the Mines in the K. G. F and I naturally desire to finance this Scheme in connection with the Royalty Account we already have in England.

3. The Simplest way of effecting this is by means of an arrangement with the Mysore Government and some well known London Bankers, on the following basis: -

(1) The Bankers to be

the Bankers of the Mysore Government in London, and as such to make and receive all payments in England on account of the Mysore Government, and for this purpose there is to be opened an ordinary banking account between the Bankers and the Govern- ment.

(2) In addition to such an ordinary account, the said Bankers to open with the Mysore Government a "Special Account" on the temporary purpose and on the Special con- ditions stated in the follow- ing paragraphs.

(3) The said Bankers

to pay on account of the Mysore Government, from time to time as required, specified sums of money to manufacturers and others on account of the Kaveri Electrical Power Scheme, such payments to be paid in accordance with a definite programme to be previously laid down and accepted by both parties. This programme will spread the payments over a period of 18 months from 1st July 1900 to 31st December 1901, and the aggregate of such payments will be limited to £ 350,000. All such payments to be placed

to the debit of the Mysore Government in the "Special account" in question and to carry interest at a rate mutually agreed upon.

(4) To the credit of this "Special Account" should be entered all sums received by the said Bankers for the Mysore Government on account of Royalty on Gold Mining leases, price for Electrical Power supplied to the mines in the Kolar Gold Fields, or on any other account. The Government will give irrevocable instructions to Messrs Taylor & Sons, to pay Royalty and price of

Electrical Power to the said Bankers, for the purpose of liquidating the Special account in question. The Imperial Government will further guarantee that the sums received by the said Bankers to the credit of the Special account as above shall not be less than the following minimum amounts, namely: —

	£
From 1st July to 31st Dec 1900.	25,000
From 1st January to 31st Dec 1901.	50,000.
From 1st January to 31st Dec 1902.	150,000.
From 1st January to 31st Dec 1903	Whatever sum may be required to liquidate in full the whole of the Special account both Principal and Interest.

(5) Should the sums received by the said Bankers fall short of the above minimum in any year, the Government will on intimation make good such deficiency by a separate payment.

(6). Any sums received by the said Bankers on account of the Mysore Government over and above the minimum amount specified in the preceding clause to be placed to the credit of their ordinary account with the Mysore Government. Provided that if the Mysore Government intimate their desire that any sum

should be transferred from the credit of the ordinary account to that of the Special account, the said Bankers will give effect to such desire, though the above mentioned minimum amount for the year may have already been credited to the latter (the Special) account. Any such excess credit of one year to be available to cover any deficient credit of a subsequent year, for the purpose of the above-mentioned minimum

And (7) The interest to be charged to the Mysore Government shall

CAUVERI ELECTRICAL POWER SCHEME.

Dewan's note to D.P.W dated 29th March 1900.

Now that the Government of India have wired authorising the Durbar to proceed with the Scheme, we can begin entering into the necessary contracts and commencing the construction of dams and other local works. But a further necessary preliminary is a definite arrangement with the Madras Government:-

1st. That the Mysore Government will be allowed to use the whole of the water power now available, without any diminution of the water supply, as will not interfere with any supply required for existing irrigation, but we must protect ourselves against any claims on account of irrigation to be hereafter newly extended in British Territory.

2nd. That we can have the two low dams required to take off the entire water supply to our works.

These are essential conditions, the acceptance of which by Madras should be obtained in writing, before we really begin.

Another very necessary preliminary is the result of the gauging now going on. We can scarcely undertake the work, unless there is at least 360 Cubic feet per second throughout the present dry season.

3rd. The above preliminary being satisfactorily settled, we can then sign the agreements with Taylor and Sons and with the manufacturers.

Is it not so? Anything else would be unsafe.

4th. I have written to the Resident another D.O. acknowledging his wire and pressing for an early agreement with the Madras Government.

5th. Meanwhile I would like to quite settle the drafts of proposed Agreements.

6th. I have been studying the final draft of the Agreement with Taylor and Sons you left with me yesterday. I want to see all the previous drafts. Please send them. When I have studied one or two clauses more carefully, I would like to have a talk over them with Sqn Ldr Lothian.

7th. "Articles of Agreement and conditions"--

Are those in compilation sent to Government of India with the final drafts? If not send me the final drafts.

8th. On both Agreement I am endeavouring to get legal opinion from Talbot's next Thursday.

To. Chief Engineer &c.
Brighton

Hove.
Inquest. 36

Tonight

The Kaveri Electrical Power Scheme

(A)- Chief Engineer's note dated 28th June 1900
(B)- Chief Engineer's D.O. dated 2/8 June 1900.
(C)- Chief Engineer's Telegram dated 2/8 June 1900.

In accordance with D.O.(B) I posted your letter to Mr. Taylor by this day's midday train. The letter would travel by tonight's mail train from Bangalore to the Kolar Gold Field.

Later I received your telegram C and I replied by wire - (vide Copy attached to C) approving of your applying to the Postal authorities to get your letter back and of your seeing Mr. Taylor and getting the matter settled amicably. By the same wire I also conveyed authority to your offering Messrs Taylor and Sons an annual remuneration of £1000 (one thousand) for their services to the Mysore Government in the working of the Kaveri Electrical Power Scheme.

I am sending duly signed three copies of the agreement with Taylor and Sons and I hope you will be able to get Mr. Edgar Taylor to sign

them on behalf of John Taylor and Sons.

When this has been accomplished, the next thing to get is the execution of the subsidiary agreements between the various Mining Companies and John Taylor and Sons as our agents. We should get intimation through Mr Thompson of the actual execution of these subsidiary agreements, and when we get such intimation we should proceed to carry out the works and enter into the necessary Contracts; having meanwhile also obtained from the Madras Government the assurance we have sought from them in our last letter*.

* vide d. enclosed (Page 20 of accompanying printed file.

I am writing to the Resident to ask him to press the Madras Government for a reply of some kind.

If they do not in some way guarantee us against any diminution of the Summer supply we cannot of course proceed with the scheme and would be compelled to drop it

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I dont see why the Mandras Government should refuse us this guarantee

As regards Communications required to Messrs Coutts and Co, to Captain Thompson, and to General Electric Company, please see my remarks on your Note of 25th instant (A).

My business here is very nearly over.

Please wire to me from the Kolar Gold fields if Mr Edgar Taylor signs the General agreement. As soon as I get this telegram from you I shall at once come to Bangalore and settle everything with you on the spot

Sd K Sheshadri Iyer
22nd June 1900.

P.S.

In the General agreement with Taylor and sons there is a blank to be filled in Page 2 regarding the person to whom Notices to Government are to be delivered. Suggest the blank to be filled thus,

"with Captain Thompson (enter office and place) or such other agent as the Government may appoint from time to time Means have this duly filled in in all copies of the Agreement now to be executed.

D Kidd.

22/6/07

Memo. 42

Article 9 clause 4 (new); also clause 3 (new last sentence). But the provisions seem necessary.

Article 10. The concluding portion of this article is new, but I presume this has been agreed to, and that the Govt shall have completed (as) far as the foundations, but not so as to interfere with the prescribed time. I suppose the D.O.W. will do the necessary to ensure this being done, and that the works required are those specified in Article 26

Article 11, corresponding with Article 20 of Electric Contract & the amount liquidated damages under this Article contract is not ... [illegible]

~~the Lessee~~ C/A. agrees (and shall
~~for the duration of the contract~~ clause 7 of
~~effect and for the~~ 10 months
~~of all the~~ additional
clause providing for the payment
in full of all sums accrued
by Contractor for ...
and maintenance ...
plus 5% per cent ~~of the~~
amount such charge.
does not commence Key &
we ... as contracts 2, 3 & 4 already
provided for 50 + 10 + 20 p.a.
of such charges being had.

Add 10. As regards maintenance
~~para 1 & 2~~ of this contract after
the abolition ~~Contractor~~ from the commencement of the
~~Contractor~~ from the commencement
of the Electric contract.

Memorandum

48

In Council Resolution dated 10th March 1900, para 2, it was stated that competent Indian legal opinion should be taken on the proposed agreements. The papers put up by the D.P.W. do not show that this was done. Has now the Contractor been done with Sayed & the Contractor been drawn up signed & the Contractor

× Is it annexed

In para 3 of the same Council Resolution it is stated that disputes in regard to the contracts should be referred to arbitration, and not to Courts in British India. But in the Hydraulic contract now sent up, para 12 expressly provides for all actions being tried before the Lower Courts in British India. This seems inconsistent with the Council Resolution. Moreover it seems doubtful if mere consent of contracting parties will give any Court jurisdiction. If, as is provided for in the printed Electric Contract, the reference of disputes to arbitration be made compulsory, by inserting the word "shall" instead of "may" in article 17 of the Hydraulics Contract in lines 7 and 10, the difficulty will

will be removed. [illegible]

In the last clause of article 4, it is [illegible] "the Government shall not be held responsible for any mistake in the drawings and specifications as supplied by the Contractors". In the printed Sketch of Contract, the clause reads thus: "the Government shall not be held responsible for any mistake that may arise through the use of [illegible] etc. The latter expression seems more correct. [illegible]

Article 7. ~~I think the suggestion~~ [illegible] (Captain Thomson), ~~to the effect~~ that 10 per cent of the whole of the Contract prices may be held over until the completion of the year of maintenance, [illegible] adopted as a concession to the Company ~~and the fact intimated to them~~ by means of a separate letter. [illegible]

With regard to Colonel the Hon. Neil Campbell's suggestions for the insertions after condition 29 clause 7 of two additional clauses providing for the payment in full of all expenses incurred by Contractor for sea carriage and Marine insurance, plus 5 per cent of the amount of such charges, [illegible]

I think it would be well to add as clause 15 a [illegible]

~~does not commence itself to run~~, as conditions
2, 3 and 4 already provide for 5+10+20
per cent of such charges being paid.

Article 10. As regards maintenance,
paras 1 and 2 of the article in this contract
differs somewhat from the corresponding
paras of article 10 of the Electric Contract,
but we may [illegible]
Article 15! The phraseology of this article
is somewhat different from that of
article 14 of the Electric Contract; but I
presume that the words "during the
continuance of the contract" in the
former is more favorable to Government
I would therefore not object but
Article 16 There is a serious omission
in this. The first clause in article 15
of the Electric Contract is as follows:—
"The Contractor shall indemnify ~~the~~
against all actions, [illegible]
the Government [illegible] this
is omitted altogether in the Hydraulic
Contract, probably by oversight. The
omission should be supplied. How is
this to be done. Shall we meet it?
Article 19 Clause 2 is new; also clause
3 (except last sentence). But these
provisions seem necessary.
Article 20 The condition in the
concluding portion of this article is
new

new; but I presume this has been agreed to, and that the Government by [illegible] to have completed and ready for ~~it~~ buildings etc, within the prescribed time. I suppose the D P W will do the needful to ensure this being done; and that the works required are those specified in Article 26.

Article 21. Corresponding with Article 20 of Electric Contract the amount of liquidated damages under the Hydraulic Contract is very much less than under the Electric Contract. This needs explanation.

Article 23 Para 2 provides for Compensation to Contractor if the time of suspension exceeds one month. I think this places the Government under a disadvantage, as the Engineer may before ordering such suspension possibly require for examination etc more than a month.

I shall be in office tomorrow Thursday about 1 P.M. and if the Secretary D P W can conveniently see me about this, I shall be glad to talk over and settle this finally

M E M O R A N D U M.

Copy annexed.

In Council Resolution dated 10th March 1900, para 2 it was stated that competent Indian legal opinion be taken on the proposed agreements. The papers put up by the D.P.W. do not show that this was done. It is now too late to do so, the Contract having been drawn up and signed by the Contractors.

In para 3 of the same Council Resolution it is stated that disputes in regard to the contracts should be referred to arbitration, and not to Courts in British India. But, in the Hydraulic contract, now sent up, para 12 expressly provides for all actions being tried before the Law Courts in British India. This seems inconsistent with the Council Resolution. Moreover, it seems doubtful if more consent of contracting parties will give any court jurisdiction. If, as is provided for in the printed Electric contract, the reference of disputes to arbitration be made compulsory, by inserting the word "shall" instead of "may" in article 17 of the Hydraulic Contract in lines 7 and 10, the difficulty will be removed. But how is this to be done now, the contract having been signed by one of the contracting parties.

In the last clause of article 4, it is said "The Government shall not be held responsible for any mistake in the drawings and specifications as supplied by the Contractors". In the printed Electric contract, the clause runs thus:-- "the Government shall not be held responsible for any mistake that may arise through the use of ..... etc. The latter expression seems more correct. I suppose the meaning is the same.

Article 7. Captain Thomson suggests that 10 per cent of the whole of the contract prices may be held over until the completion of the year of maintenance. This if agreed to would no doubt be a concession to the Company. But is this necessary the

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contract as now engrossed having been completed by execution by the Contractor I think we may let article 7 and all sub clauses stand as they are. With regard to Colonel McNeil Campbell's suggestion, for the insertion, after condition 29 clause 7, of an additional clause providing for the payment in full of all expenses incurred by contractor for sea-carriage and marine insurance, plus 5 per cent of the amount of such charges, I think this addition is unnecessary, as conditions 2,3 and 4 already provide for 80-10-20 per cent of such charges being paid.

Article 10. As regards maintenance, paras 1 and 2 of the article in this contract differs somewhat from the corresponding paras of article 10 of the Electric contract, but we may agree to the former, the main provisions being same.

Article 15. The phraseology of this article is somewhat different from that of article 14 of the Electric contract, but I presume that the words "during the continuance of the contract" in the former is more favorable to Government. I would therefore not object to it.

Article 16. There is a serious omission in this. The first clause in article 15 of the Electric contract is as follows:- "The contractor shall indemnify the Government against all actions, claims, compensation and expenses for any loss of life, or damage to persons which may occur during the execution of the contract. This is omitted altogether in the Hydraulic contract probably by oversight. The omission should be supplied. How is this to be done. Shall we insert it?

Article 19 clause 2 is new; also clause 3 (except last sentence) But the provisions seem necessary.

Article 20. The condition in the concluding portion of this article is new; but I presume this has been agreed to, and that the Government shall have complete and ready the foundations, buildings &c within the prescribed time. I suppose the D.P.W.

will do the needful to ensure this being done; and that the works required are those specified in Article 26.

Article 21. Corresponding with article 20 of Electric contract. The amount of liquidated damages under the Hydraulic contract is very much less than under the Electric contract. This needs explanation.

Article 23. Para 2 provides for compensation to contractor if the time of suspension exceeds one month. I think this places the Government under a disadvantage, as the Engineer may, before ordering suspension, possibly require for examination &c more than a month.

I shall be in Office tomorrow Thursday about 1 p.m. and if the Secretary D.P.W. can conveniently see me about this, I shall be glad to talk over and settle this finally.

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Journal of the Proceedings of the Council of Mysore
Conducted at
the 201st meeting of Council
Bangalore Thursday the
1st March 1900.

Present

Rajadharma Pravina
Mr J.R.A. Thomson
Kelly C.S.I.
Mr P.N. Krishna Murthi C.S.I.
Mr V.P. Madhava Rao C.I.E.

} Senior Councillors
} Councillors

The Dewan — Absent.

Resolved as follows:—

After a good deal of discussion the Council approve of the Canara Electrical Power Scheme as laid before it. On a few points of minor details, the Members indicated to the Chief Engineer and Dy

Mr Thomson to be supplied with a copy of the "Daily Register" in which the Scheme is described and copies of the Agreement.

(Sd) J.R.A.

K

(Chief Engineer then reviewed
as to certain amendments
in the Agreements which
they thought were desirable

(Sd) J R A Shrubsall Maj

Note

Col D. Sherbrooke Campbell
(Chief Engineer) and
G. de Lotbinière Major
(Chief Engineer) attended
the meeting & afforded all
necessary information

(Sd) J R A

Note -

The foregoing Resolution is fully
accepted by me and the Project is being
submitted for the approval of the Govt
of Canada in my letter of 23rd inst.

March 1906

The agreements referred to in the
above Resolution are those proposed
with the Mines in the Rotar Valley and
with the Dranefaelwen

Before actual execution these
agreements will be thoroughly again
examined by competent Lawyers.

J R Sheraton Dodgson

with this enclosure

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Extract from the Journal of Council Proceedings.

Dated 10th March 1900.

Y Y Y

The following resolutions were passed with reference to the Resolution re. the Kaveri Electrical Power scheme passed at the meeting of Council held on the 1st instant:-

1. That satisfactory agreements with the Government of Madras and with the Gold Mining Companies on the lines proposed, should be first secured, before the Mysore Government enters into Contracts with Manufacturers, or proceeds with the execution of the Scheme in question.

2. That Competent Indian legal opinion be taken on the proposed agreements.

3. That in the Contracts with the Manufacturers, the reference of disputes should be not to Courts in British India, but to arbitration.

Sd/- K. Seshadri Iyer
Dewan - President.

CAUVERY ELECTRICAL POWER SCHEME.

Resolutions of the 202nd Meeting of the Council, dated Mysore 10th March 1901.

The following resolutions were passed with reference to the Resolution re the Cauvery Electrical Power Scheme passed at the meeting of Council held on the 1st instant.

1. That satisfactory agreements with the Government of Madras and with the Gold Mining Company on the lines proposed, should be first secured, before the Mysore Government enters into contracts with manufacturers or proceeds with the execution of the scheme in question.

2. That competent Indian legal opinion be taken on the proposed agreements.

3. That in the contracts with the manufacturer the reference of disputes should be not to Courts in British India but to arbitration.

Section L.M.
File No 84-99
Serial No 1

20/12/99

My dear Col. Campbell

Thanks for sending this for Capt L.
I hope messrs Taylor & Sons will not allow this excellent opportunity to slip thro' their hands.

I send you a few copies of my memo of 11 Dec'99 regarding the Electrical Scheme. This together with the accompanying Compilation is being sent to the Resident for Submission to the Viceroy who takes great interest in our Scheme and whom Col. Robertson wishes to keep informed of exact State of progress. Please note that in this memo I give approximate Cost of alternative Supplies and I propose to carry the biggest out of State Revenue without aid of outside Capital. This is, of course, if we cant manage with Messrs Contts & Co. as I propose. You may send a Copy of this memo to Capt L. and tell him what we have been doing.

Yours Sincerely
S. K. Shekhadre Iyer

Please note yourself and let Capt L. know what I say about Agreements &c.

I.O.U.

15/ 5

Section F. 112

File No 87-2-1

Serial No 2

January 1st. 1900.

My dear Col: Roberts,

Herewith a few copies of the supplemental Memo I promised to send regarding the Kaneri Scheme.

Wishing you a happy new year and many returns of the same.

Yours Sincerely
Sd/ K. Sheshadri Iyer.

Spare copies in separate packet

(SE)

Series G/11 6
File No 87 of 97
Serial No 1

Bangalore
7th July 1900.

My dear Col. Robertson

We received yesterday from Captn Thompson, our London Secretary to the Kaveri Electrical Power Scheme a wire to the effect that the Mining Companies in the Kolar Gold Field have signed contracts to buy from us an aggregate of four thousand and ninety one (4091) Electrical Horse Power. As this point is now satisfactorily settled, there is no longer any uncertain element about the Scheme. I am accordingly proposing to embark upon the Scheme, by sending a wire to the General Electric Company of America, to accept their tender for the supply, erection and one year maintenance of the Electrical plant.

this date, the Dunbar will be committed to carry the scheme through. I propose to take this step today as we are very near the time when the tenders would lapse.

The financing of the Scheme will be done entirely out of State funds, and the payment to required in England and America will be made through our London Bankers – Messrs Lazards & Co.

The success of the Scheme is fully assured and I have taken every precaution to render any failure impossible. There is no reasonable ground for any apprehension regarding the sufficiency of the water supply for the 4000 Horse Power, which it is the aim of the present Scheme to generate, transmit and sell at prices which will repay

the capital outlay with interest at 4% in less than five years, and I hope that the Scheme will be in full working order within 20 months from today.

I do not think that the existing conditions point to the probability of a famine this year, but should unfortunately the future rains fail and a famine does happen, I have a sufficient reserve of funds for the relief measures required after providing for the requirements of the State, including the Electrical Scheme. Careful attention to the finances is of course necessary.

I shall pay you a visit at 4 P.M. today, unless you tell me that some other hour would be more convenient to you to

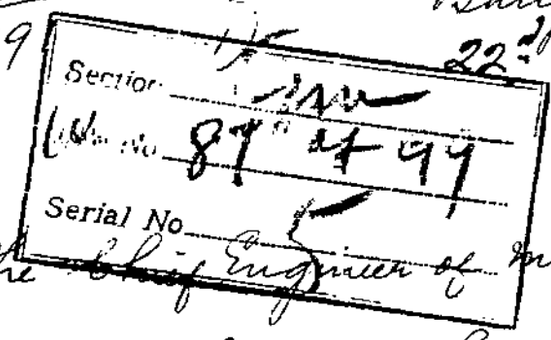
see me. When I come I shall give you all further explanation required.

Yours Sincerely

M. Shekhadri Iyer.

No 626
319

Bangalore
22nd June 1899



From
The Chief Engineer of Mysore

To
Messrs John Taylor & Son
6. Queen St. Place
London.

Dear Sirs,

The Mysore Dunbar have under contemplation the utilization of the Cauvery Falls for generating power, which will be transmitted by electricity to several central places in this Province, at which places it will be used for working machinery, lighting, &c. —

Approved 22-6-99 in 1

2. The Dunbar are of opinion that the working of the Machinery at the Kolar Gold Fields with power supplied at a much lower rate than that generated by steam, is such an important scheme, and one that will benefit both the State and the Companies, that they have resolved to apply the Cauvery Falls power for that purpose in the first instance, should the scheme receive the approval of the Mining Companies.

3. The Dunbar propose sending Captain J de Lotbiniere, Deputy Chief Engineer, Mysore, to England and America to investigate the project with the

the acceptance of Mr Brandt's
conditions, viz that he should
be appointed Engineer in London
and desires the opinion of Lord
Rosse, and if he is the person that
Mr Brandt may have him to attend
the views of the Directors and others
interested, before we act in
4. In Cases of regular agreements
will have to be drawn up, but in the
meantime it would be well to come to a
decision in the matter & I am directed
to inform you that the following are
the principals.
1st The Company will supply Steel &
Iron & manufacture at a Central
Station at Holar in the Field
& the Counties of the Central
Irrigation. All the electrical plant
necessary to transmit the power
from this Central point to their
Machinery being supplied by
the Users.
2nd The Users will be supplied
for the first year one Horse Power
that time the Company

by the Companies in fuel will more than cover the cost of the electrical Plant required.

3ly. After the 1st year, the power will be supplied for a period of three years at a sum per HP not less than 40 per cent below the price now paid for one HP generated by fuel.

4ly. After the above three years, the Dunbar will reserve the right to alter the price of the power, but in no circumstances will they raise the charge above that which will effect a saving when Compared with Steam power of 20 percent.

5ly. As all the Generating Machinery will be in duplicate, it is most improbable that there will be any stoppage except for very short periods (The Dunbar under the circumstances will not give any guarantee against stoppages owing to accidents to the Generating and transmitting plant).

Moreover, it is presumed that the Steam Engines (where feasible) will

will be kept in position in case of accidents, and as the plans will be submitted both to the Naval Commissioners & Engineer of Chief Steam plant & cross sections of the Steam - vessel &c.

5. Captain Le Couteur will be - boatly accompanied on Engineer Chief the Naval Engineer, but it will merely depend the Naval Engineer leaves here

No. 626
3191

Approved

Sidney Smith
Col.
Chief Engineer
Victoria

20/6/99

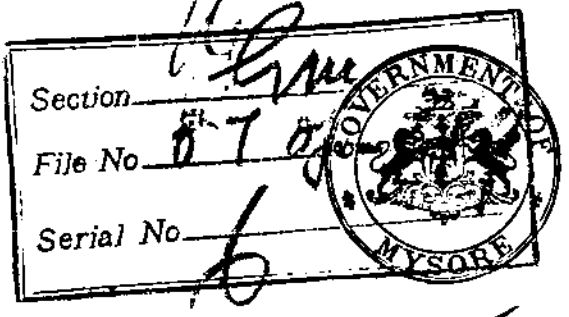
C

La Société, Lundbeck, Nielsen
Petersen & Co, Nov. including in the
amount to 600 ~~X~~ 000

The latter expenditure is divided
as follows &c

Land carriage	60.000
Engine & Machinery	75.000
Poles	130000
	600000
Sum. Kr.	865000.

As Kr. 600 000 & Kr 130 000 are debited
Kr 65 000 on Income Account
Agent in 1900-1901 and Kr 65 000
in 1901-1902



21st July

My Dear Dewan

I am D.O enclosing herewith a Memo re payments required for the Camp Jail. orders.

I am sorry as regards the Superintendent & Police on account. but to the Dewan

Application à Mm [illegible]

Rh 1.30 000 dans la Loire

pour Roche au pont Lavis

pour la route [illegible]

[illegible] un rocher au milieu

[illegible] Contraction.

Ils reposent sur [illegible]

de [illegible] schistes au bas

Sont [illegible] leur

application abaissé la courbe

au pied [illegible]

2 (i) Original in file about Arrangement to invite Contract

Extract from letter from Captain A Joly de Lotbiniere, Deputy Chief Engineer to the Dewan, dated London, 21st December 1899.

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* * * * *

I consider that that question is fairly well settled but I have just heard from the Mines, that a full meeting of the Directors have decided definitely not to sign the agreement unless we will extend their leases for 30 years from date of signing. I feel that this decision puts an end to negotiations, as you will never agree. The Mines think we are so absolutely bent on carrying out our scheme that they can force this clause on us, but I think the are mistaken. Our terms are most liberal and I would give nothing more, but I should feel inclined to say to them " unless you do sign the agreement your leases will never be extended, as the next leases will only be granted to Companies who agree to use power supplied by the Mysore Government".

The Mines are sending you a cable today and also a long letter of explanation, I am in a hole as I have all my tenders in, but can do nothing, however I shall complete all arrangements now that I have gone so far, i.e. decide to as which is the best tender and get out preliminary terms of contract and then await your decision on Taylors' last appeal. You will be in a position to decide when this reaches you. If I am to return to India at once please ask Col. Campbell to wire me the single word "Return" if you want me to remain and continue negotiations please wire "Wait" this will mean that I will receive further instructions.

Personally I am so sick of Taylor & Sons and the Companies that I will be sorry to open negotiations again. They have treated us badly throughout, thay have led us on and on and now that the agreement is completed (i.e. all the terms are

settled) and they know how anxious we are to get to work they throw in the lease question thinking that sooner than throw up our scheme we will give them this further concession. If they had really considered the lease questions as vital, why did they wait till now to raise it? We have spent fully - £ 1,000/- on the scheme, and this outlay is directly due to Taylor & Sons having led us on and on. I have the experts fees to pay, and what with my pay, travelling allowances and expenditure in India we will have wasted well over £ 1,000.

There is no doubt the question of an extension of the lease is vital to the Mining Companies, but I do not consider they have gone the best way about getting it, especially as they want the same favorable terms again. I think a reply to them that no lease will be extended, unless the Company uses our power on our own terms will bring them to their senses, and they will make such a good thing out of our power you can well insist on raising the Royalty to 8 or 9 per cent. I will not end my letter now as mail only leaves tomorrow.(Friday 22nd December). This morning I received an official communication from Taylor & Sons to say they had wired to you and were writing by this mail. I sent off the following cable to Chief Engineer " Tasilate nuiralgia Inflexible" this reads 'cannot improve terms, negotiations suspended for the present, please send instructions forthwith'. What I mean is, Taylors adhere to extension of Mining lease, I have ceased negotiations and will await your instructions to reopen them or return to India.

I consider John Taylor has treated us badly throughout, and I sincerely hope this may be remembered when he opens negotiations for an extention of his lease.

Section
File No 87 07 99
Serial No 1

bring in

X

1. Captain Lothringer's letter dated 8th December.
2. His Diary.
3. His letter to Taylor dated 8th December and appended Preliminary Agreement -
4. 4th Draft Agreement -

-tunities. It is evident that Captain Lothringer's puzzling telegram of the 22d was sent in continuation of his letter of the 8th, and in sending that telegram he apparently assumed that we knew all he wrote on the 8th - My surmise about Taylor's changed attitude is pretty near the mark - They ~~would~~ first agreed to take the Power only for five years, now they want it for ten years. They have been put up to do it, so as to give them a plausible claim to ask now for a renewal of the Mining Lease which also expires about ten years hence - I have -

[illegible] to
get an [illegible] at least
that on renewal the royalty
will not be increased.

I am sorry that Captn
Lothouse in his anxiety to
secure an immediate agreement
from Taylors proposed to agree
to reduce the rate to £ 6 per
H.P during the years 6th to 10th,
when the rate originally agreed
to would have been anything
not exceeding £ 24. This
was a most impolitic move for
great many reasons. True,
our capital would be repaid in
the first five years, but that
would not justify the absurdly
low rate of £ 6 from the 6th
year. The better plan would have
been to charge a lower rate
than £ 18 during the first
five years. It will not do for
us to seem charging an un-
necessarily high rate during the
first five years and then practically

make a present of it all to Messrs
Taylor and Sons from the 6th
year -

Moreover what is the use
of the Preliminary Agreement
enclosed in his letter of 8th De-
-cember to Messrs Taylor, as it
is conditional on our extending
the Mining lease on existing
terms? If executed by the
Mining Companies it would
be of no use to us whatever,
for we would be unable to
carry out our part of it.

I am rather glad that
the negociations have been broken
off. Far better it should be so,
than that the Preliminary
Agreement should have been
signed by the Mining Com-
-panies and I should be
unable to carry out our part
of the Agreement, because of
the condition of renewal and
the low rate from the 6th year.

Under such circumstan
-ces I had no hesitation in
wiring today to Captain

Lothbiniere to withdraw from the negociations with Taylor and Sons. It is safe to do this and thus wipe out any moral obligations arising out of past negociations.

I enclose a copy of the telegram I have sent today to Captain Lothbiniere It speaks for itself. It clearly says that he should withdraw all previous offers to Messrs Taylor and Sons and thus have a clear slate before us. It asks him to investigate (as far as it is possible for him now) how we can use the Power for other purposes. It distinctly asks him to keep in abeyance the tenders from Manufacturers the object being that the New Manufacturer should have no cause to feel disappointed - Thereafter, if eventually we have to abandon the whole business And lastly it conveys to him a distinct disapproval of the £6 per H.P. from the 6th Year

so that he will know how to proceed should Taylor and Sons hereafter resume negociations.

Captain Lothuniere should now be exceedingly careful not to commit us in any way with the Manufacturers. We should have perfect liberty to accept or not to accept any of the tenders and we should have several months — say till 1st July next at least — within which to make up our mind as to whether we will embark upon the Scheme or not.

I am really most earnest about the Scheme and will do everything in my power to start with a moderate installation of say 3000 H.P. But before doing this, it is essential we should investigate and decide how to use the Power for any Railways, Mills at Bangalore, lighting Bangalore and Mysore and

possible new manufactures near the Falls or elsewhere. We must have a definite programme of how and where to use the power in the above ways before we can conclude any arrangement with the Manufacturers. Captain Lothbiniere had better take the manufacturers into his confidence at once and tell them how the matter now stands to prevent possible disappointment hereafter.

It is a thousand pities that we relied too much on Mr. Taylor's promises made before Captain Lothbiniere left for America, and that because of such reliance Captain Lothbiniere did not investigate other possible uses of the Power when he was in America. We should be in a better position now if Capt. Lothbiniere when in America had investigated the modes of other uses, than the use of the Mines, as possible alternatives.

I am pretty sure that Mr. Taylor and Sons will come

round when they know that we are going to use the Power in other ways. But it is not improbable that they have vague hopes of getting the electric power from other sources, such as the Periyar or even from the Cauvery through the agency of a Syndicate. Taylor and Sons would of course expect to be the moving spirit of such a Syndicate. They apparently want to run the show and to get its profits instead of letting the Mysore Government to reap the profits of the Cauvery Scheme which owes its origin to Mr. What they or their Syndicate can expect from the Madras Government is quite problematical. I say all these in order that you may keep your eyes and ears open when in Madras. You can understand how disappointed I feel.

Please send Captain Lottiniere any further instructions necessary. I am anxious

not to be committed in any way to any manufacturer or others and I am very anxious to find some means of using 300 HP and then to start generating it.

Captain Lotbiniere has to be cautious not only for protection of our own interests, but also because any final agreement we may have to conclude with Messrs Taylor and Sons, the manufacturers and other parties, would have to be previously approved by the Government of India. I am keeping that Government informed of the progress of our investigations and negociations. It would be necessary for Captain Lotbiniere to make it clear to all concerned that his negociations are all subject to the approval of the Government of Mysore and of the Government of India.

I prefer not to telegraph to Messrs Taylor and Sons till I get the letter which they have

written to me, according to
their last telegram. They have
made and are making extra-
ordinary profits from the Mines
and they can afford to forego
the 40 per cent reduction we
promised them on their Coal
expenditure in the hope of
~~having~~ my hand regarding a
renewal of the lease, but I am
quite firm and resolute to be
forced.

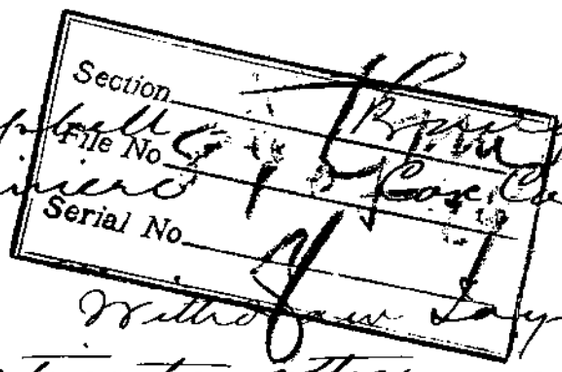
Wishing you a merry
Christmas and happy New
Year

Yours Sincerely,
K. Sheshadri Iyer.
" "

P. S. Please wire to Capt.
Lobnitz any further
instruction you desire to give
effect to my wishes and views
as above expressed.

27

CRS Telegram of 25th Dec/99.



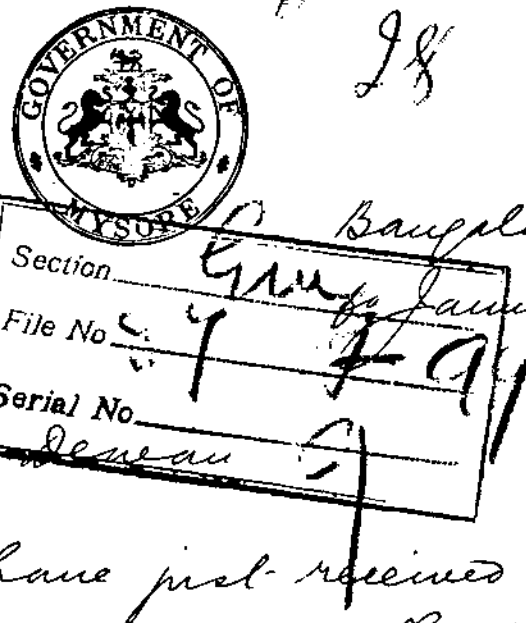
Campbell & Co Bombay
Lothiniers Coy Company, London.

Withdraw Taylor negociation
Investigate other uses keeping
tenders abeyance. Reduced
rate for second five years dis-
-approved.

Sent under my instructions
Col McNeil Campbell
being absent in Madras
for the Xmas holidays

25-12-99 -

4/ 18



Bangalore 6th January 1900.

My dear Dewan

I have just received the enclosed telegram from Captain Lotbiniere. Please wire what terms you propose for the second five years, & I will then wire to Captain Lotbiniere.

In my opinion, £12 per HP is ample and I am inclined to think that we should say £10.

Taking 4000 HP, the Capital cost will be £ ~~190,000~~ 232.000, and if we allow maintenance & repair charges at the high figure of £10,000 per annum, a rate of £12 per HP

will give me a net profit of almost
16 per cent (~~2~~)
With 6285 HP the net return would
be about 18 per cent

If we charged £ 10 the net return
on 4000 HP would be 13 per cent and
on 6285 HP about 15 and I think
we may be content with profit
of over 12 per cent.

It will be a great pity to meet
a refusal by the Dunes to take
the power as I have been investigating
the other uses to which the power
could be applied and have come

to the Conclusion that owing to the long distances, none of them will pay us, except the starting of manufactories near the falls.

Working the Mysore Railway, lighting Bangalore and running tramways, pumping water &c, will not be remunerative owing to the long distance. Consequently, if we do not supply the Mines we will have no use for the power, and if we do not use it, Madras may say that they will and supply the Mines at a less rate than we now propose. -

Yours Sincerely,

J. Mc. Farlane

I shall go a little the wrong

After my first Telegram - your letter
just rec^d. Pounds twelve quite
fair but give Lothbinière
discretion up to 15 Pounds ten
as minimum —

4th Sept

32

Section
File No
Serial No

My Dear Sir

I believe I am the
bearer of Lord ... to you by the day.
I have spoken to him
about the home question.
They are building to expel it
or not. I think it would be
a good thing if they did so

Section

File No 87 [illegible]

Serial No

INDIAN TELEGRAPH

Class. NL

To

Prefix

Words.	Day.	Hour.	Month.
27			

From

Station

Office Instructions

To (Person)

From (Person)

[illegible]

[illegible] engaged [illegible]

Telegraphic [illegible]

[illegible] wishes to

sign [illegible] agreement

[illegible] [illegible] authorized

[illegible] [illegible]

[illegible] [illegible]

[illegible] [illegible]

[illegible] [illegible]

[illegible]

[illegible]

ANSADE 21-6-00

Recd. from L. N.

At Hrs. Mts. By

Sent to L. N.

At Hrs. Mts. By

Postmaster.

Section
File No 87 of 99
Serial No

T—14.

Class. | INDIAN TELEGRAPH. | Monthly Local No.

To
Station

From
Station

Words.	Day.	Hour.	Minute.	Official Instruction.
29				

To (Person)

From (Person)

1
2
3
4
5
6
7
8
9
10
11
12
13
14

MADORE 24-6-00

Recd. from L. N.
At Hrs. Mts. By

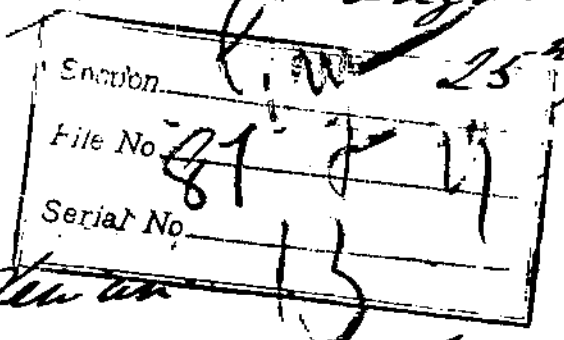
Sent to L. N.
At Hrs. Mts. By

Date

Postmaster.

Bangalore.

25th June



My dear Sir,

I got my D.O. to Taylor back from the Post Office & Cir. Letters & I hied to the Fort yesterday & had an interview with the Taylors. They absolutely refused to sign the agreement & denied that they had written in any Office that they had authority to do so & they produced notes regarding the interview they had with us & their to show that they could not - take down a Contract

Telegram

To Capta Thomson Home office London

From Campbell Bangalore

Agreement signed unaltered by Deneau. Obtain Taylor's signature immediately to main and Secondary Agreements - wire when signed - allotment power to various companies wired to Taylor today - If agreement not signed by tenth July scheme abandoned owing to expiration tender. —

Despatched at 8 A.M.

on 25/6/00

Col A.J. de Lotbiniere Capta. R.E.
for Druckit Campbell Colonel

Stamp
10 Shillings

41

AN AGREEMENT made the twenty Second day of June 1900 BETWEEN THE GOVERNMENT OF H. H. THE MAHARAJAH OF MYSORE (hereinafter called "the Government") of the one part and JOHN TAYLOR AND SONS of 6 Queen Street Place in the City of London of the other part respecting the supply and purchase of Electrical Power to be supplied by the Government from the Cauvery Falls to Gold Mining Companies on the Kolar Gold Field.

1. John Taylor and Sons will use their best endeavours to procure Gold Mining Companies on the Kolar Gold Field under their management to enter into agreements with the Government in the form set out in the Schedule hereto to take a supply of power amounting approximately in the aggregate for all the contracting Companies to at least 4,000 horse-power reckoned in the manner set forth in the scheduled form of agreement and subject to any deductions mentioned in that form, and John Taylor and Sons are hereby authorised to sign for and on behalf of the Government agreements with such Companies in the scheduled form.

2. The supply of power to be taken by each contracting Company shall be fixed by John Taylor and Sons and the approximate amount shall be stated in each agreement signed by them under the power hereby conferred, but the total approximate amount stated in all the agreements shall not, except as mentioned in the next succeeding clause hereof, exceed in the aggregate 4,000 horse-power reckoned in the manner and subject to the deductions aforesaid.

3. If John Taylor and Sons shall desire that the amount of the power to be supplied shall be increased beyond 4,000 horse-power and shall give notice to that effect to the Government before the expiration of one year from the date when power is first supplied under any of the agreements to be signed under the authority of these presents and shall prove to the reasonable satisfaction of the Government that the extra power required is reasonably likely to be utilised throughout the remainder of the period mentioned in the scheduled form of agreement, then the amount of the power to be supplied shall be increased by such an amount (not being less than 2,000 horse-power nor more than 4,000 horse-power) as John Taylor and Sons shall require and the increased amount shall in that case be added to the amount mentioned in Clause 2 hereof.

4. Within the limits hereinbefore mentioned the amount of power to be taken by any contracting Company may from time to time be increased by John Taylor and Sons and the right to a supply of power may, with the consent of the Companies concerned, be transferred by John Taylor and Sons from one Company to another, but this power of transfer shall not be exercised in any way which shall be likely to be prejudicial to the Government or to involve a diminution in the amount of power used or paid for. Any variation in the amount of power to be supplied to any particular Company or any transfer of power from one Company to another made under this clause may be made either by a fresh contract or fresh contracts or by a memorandum or memoranda endorsed on the existing contract or contracts and signed or sealed by the Company or Companies concerned and by John Taylor and Sons on behalf of the Government. No such variation or transfer shall be made without the consent of the Government. But the Government agree to give such consent in all cases where an electro-motor is suitable for the machine to which it is proposed to transfer it, provided that the Government is satisfied that such transfer is not likely to involve a reduction in the amount of power used or paid for.

5. If John Taylor and Sons shall fail to procure Gold Mining Companies on the Kolar Gold Field under their management to enter into agreements with the Government in the scheduled form to take a supply of power amounting approximately in the aggregate for all the contracting Companies to at least 4,000 horse-power reckoned in the manner and subject to the deductions aforesaid within twelve calendar months after the date when this Agreement shall become binding either of the parties hereto may by notice in writing to the other rescind this Agreement.

6. All agreements (including any such fresh contracts or memoranda as mentioned in Clause 4 of the Agreement) signed by John Taylor and Sons on behalf of the Government under the authority hereby conferred shall be executed in duplicate and one part thereof shall be handed over by John Taylor and Sons to the Government.

7. Any notice or document to be given or handed over to the Government under this Agreement may be given or handed over to them by being left with ~~Messrs.~~ Capel Thomson & Co. or such other agent as the Government may appoint from time to time and any notice to be given under this Agreement to John Taylor and Sons may be given by sending the same to them by post addressed to them at 6 Queen Street Place aforesaid.

8. The Companies with which John Taylor and Sons are hereby authorised to enter into contracts shall include future as well as existing Gold Mining Com-

panies and Gold Mining Companies in which John Taylor and Sons or any members or member of that firm are or is interested as directors managers shareholders or otherwise as well as other Companies. But the Government shall not be required to supply any electrical power except within a radius of ten miles from Taylor's shaft upon the mine of the Nandydrug Company Limited.

9. All rights and powers given to John Taylor and Sons by this Agreement shall, on any change in the constitution of the firm, pass to their successors for the time being in business.

10. The arbitration clause contained in the scheduled form of agreement shall apply and take effect in the same manner as if it had been repeated herein with the substitution of the name of John Taylor and Sons for that of the Company.

11. This agreement shall be construed according to, and all rights and remedies shall be regulated by, English law.

12. This Agreement shall become binding when signed or sealed by—

(1) H. H. the Maharajah of Mysore or the Dewan of Mysore for the Government.

(2) John Taylor and Sons.

IN WITNESS, whereof, Sir K. Sheshadri Iyer, the Dewan of Mysore, acting for and on behalf of the Government, and John Taylor and Sons have hereunto set their respective hands and Seals, with effect from the day and the year first above written

Signed, Sealed and delivered by the above named Sir K. Sheshadri Iyer } K. Sheshadri Iyer
In the presence of—
Sivaprasannam Mudr., Manager }

Signed, Sealed and delivered
by John Taylor & Sons
in the presence of—

THE SCHEDULE ABOVE REFERRED TO.

AGREEMENT made the day of
BETWEEN THE GOVERNMENT OF H. H. THE MAHARAJAH OF MYSORE (hereinafter called "the Government") by John Taylor and Sons acting under the authority in that behalf conferred by an Agreement dated the day of 1900 between the Government and themselves of which a copy is intended to be hereunto annexed and which is hereafter referred to as "the main Agreement" of the one part and LIMITED (a Company carrying on or intending to carry on the business of gold mining on the Kolar Gold Field and hereinafter called "the Company") of the other part.

1. This Agreement shall be binding on both parties for a period of ten years from the date on which any power supplied under this or any other contract entered into under the authority conferred by the main Agreement is first used if the lease under which the Company now work or propose to work their mines or any renewed lease which may be acquired by the Company of such mines shall so long last.

2. The Government agrees to provide and instal in addition to the plant necessary for generating transmitting and transforming the Electrical Power all conductors motors electrically-driven air compressors (subject to the provision in Clause 7) other apparatus and buildings necessary for distributing and utilising the said power at such places and to connect the same to such machines as may be required by the Company within the boundaries of the Gold Mines of the Company within the radius mentioned in Clause 8 of the main Agreement, the Government further agrees where necessary to alter and adapt existing plant so as to enable electrical power to be utilised in the same. All plant and apparatus installed in virtue of this term and all alterations and adaptations of existing plant shall be subject to the approval of managers for the time being of the Company. Provided that before any such plant is installed such managers shall have satisfied the Government that there is reasonable probability of its being utilised throughout the period of this Agreement.

3. The Government agrees to maintain and work at its own cost all the distributing plant and apparatus installed in virtue of the foregoing clause for a period of one year and at the expiration of this period to hand over the same in full working order to the Company free of charge. The plant and apparatus so handed over will include all motors electrically-driven air compressors subsidiary conductors and other plant and apparatus from the distribution centres. From such time as the said distributing plant and apparatus shall have been handed over to the Company the same shall become the property of the Company and all responsibility on behalf of the Government in respect of the same shall cease.

During the fifth year such sum not exceeding twenty-four pounds (£24) per horse-power per annum as the Government may determine.

During the remaining years ten pounds (£10) per horse-power per annum.

These payments will be made in pounds sterling monthly within one month of the receipt in London of an account from the Government of the power used during the month, such account having been first countersigned by the representatives of the Company at the Gold Field. All moneys due from the Company to the Government shall be paid to the credit of the Government at such Bank in London as the Government may direct.

In addition to the foregoing payments the Company agree to repay in equal monthly instalments during the second year from the commencement of supply to each electrically-driven air compressor such sum over and above £4 per horse-power as shall have been paid by the Government for such air-compressor which sum shall not include the cost of the electro-motor for the said air-compressor.

In case any of the moneys hereinbefore agreed to be paid by the Company shall be in arrear and unpaid for two calendar months next after the time at which the same shall become payable, the Government may discontinue the supply of electrical force and all obligations under this Agreement shall therefore cease without prejudice nevertheless to the recovery of any moneys then owing by the Company.

8. The Government agrees that on receipt of a notice from the Company or any authorised agent of the Company to the effect that a specified amount of power will not be required for a specified period of time or until further notice the payment due for the same during the period of disuse will be remitted, provided that the period for which this reduction of payment is claimed shall not be less than five days and that the reduction will not be allowed if any other power shall be used for the machine for which such reduction is claimed during the period of notice of disuse or if any machine driven by other power shall be used as a substitute for such machine under notice of disuse. This reduction will be granted only after the power for which it is claimed has been in use for one year.

9. In the event of an interruption or a diminution in the supply of power whether from an accident to the generating or transmitting plant or from any cause other than the failure of an electro-motor after the same has been handed over to the Company when such interruption or diminution extends over a period exceeding one hour, payment for power not supplied will be remitted for the whole period during which such interruption or diminution continues, and for the purpose of calculating the amount of such reduction of payment the period shall be deemed to have extended to the next integral number of hours above its actual duration. In any such case of interruption or diminution in the supply of power to the Company's machinery the Company shall be free to resort immediately to the use of steam or other power.

10. The Company agree to give to any person authorised by or on behalf of the Government free access to any portion of the mines or premises of the

4. The Government agree to instal and maintain all plant and apparatus necessary for generating transmitting and transforming Electrical Power to such amount as is hereinafter agreed upon and to provide such duplicate and spare plant throughout its system and otherwise to take such reasonable precautions as are necessary to ensure continuity in the supply of power with as little variation in the speed of motors as is reasonably practicable. In the event of an interruption in the supply of power from any cause other than gross negligence on the part of its servants the Government will not be liable for any loss due to such interruption. The Government agrees in the event of such interruption to give notice as early as possible as to the probable duration of the same and to use every endeavour to make the period of interruption as short as possible The Government agrees not to reduce the amount of power supplied to the several Companies with whom contracts are entered into by John Taylor and Sons under the authority conferred by the main Agreement by reason of power from the Canvery Falls being required elsewhere. The Government will not be liable in any event for damage to person or property arising accruing or resulting from the use of the power but agrees to take every reasonable precaution to prevent such damage.

5. The Government shall (subject to the provisions contained in Clause 2) supply and the Company shall (subject to the deductions and provisions hereinafter specified and contained) take a supply from them of Electrical Power to an amount (approximately) of horse-power reckoned in the manner hereinafter set forth.

6. The amount of power supplied will be reckoned as follows:—

(*a*) The indicated horse-power of each steam engine to be replaced by an electro-motor will be accurately calculated from the mean of five indicator diagrams taken during ordinary work on such days as may be agreed upon in the presence of representatives who shall be appointed by both parties and will be accepted as the power of such engine. The Government will instal sufficient Electrical Power to keep the machines which were run by such engine in ordinary work and the Electrical Power so supplied shall be accepted by both parties as equal to the indicated horse-power as above mentioned.

(*b*) In the case of new machinery which is geared only to be run by Electrical Power the number of horse-power supplied shall be accepted by both parties as equal to $\frac{1}{746}$th part of the number of watts at the terminals of the motor or motors when running such machinery in full work, the said number of watts being determined at the commencement of supply by an electro-dynamometer or other instrument approved by both parties.

7. The Company agree (subject to the deductions and provisions hereinafter specified and contained) to pay the following prices for Electrical Power supplied in virtue of this Agreement:—

During the first year from the commencement of supply to each electro-motor twenty-nine pounds (£29) per horse-power per annum.

During the second, third and fourth years eighteen pounds (£18) per horse-power per annum

same where Electrical Power is employed and to afford every facility to such person in ascertaining the amount of such power which is being supplied, provided that such person shall not without the consent of the Company in any way interfere with the working of the mines.

11. The Government retains the right to discontinue the supply of power for the purpose of testing for a period not exceeding one hour once every month at a time to be agreed upon with the representatives of the Company at the Gold Field and also for a similar period at any time if it should appear necessary to the Government to test any portion of the plant in order the better to secure subsequent continuity of supply or for the purpose of connecting new machinery.

12. In any case where such person as is referred to in Clause 10 can show good reason for supposing that a waste of Electric Power is occurring through leakage or otherwise in some portion of the distributing plant or that such waste is liable to occur the Company agree to afford such reasonable facilities as are necessary for the ascertaining and prevention of such waste or the repair of such defective plant and if the said portion of the distributing plant has been previously handed over to them the Company agree to forthwith take such steps as may be necessary to prevent such waste and in general to use such supervision and to take such steps as may be reasonably considered necessary to discover any such defect in the distributing plant and to remedy the same.

13. The Government agrees to take every reasonable care that the work of installing the distributing plant shall interfere as little as possible with the work of the mines.

14. No electro-motor shall be installed and no Electrical Power shall be used in connection with the supply from the Cauvery Falls without the consent of the Government.

15. Any electric current required in connection with the supply from the Cauvery Falls for the purposes of lighting or for any purpose other than the running of electro-motors shall be obtained from motor generators and shall not be taken from the distributing conductors.

16. No electro-motor shall be transferred from one mine or machine to another without the consent of the Government but the Government agrees to give such consent in all cases where the electro-motor is suitable for the machine to which it is proposed to transfer it, provided that the Company satisfy the Government that such transfer is not likely to involve a reduction in the amount of power used or paid for. The work done by any electro-motor shall not be increased beyond that for which it was installed without the consent of the Government.

17. In the event of any dispute or difference arising as to the construction meaning or effect of this Agreement or of any clause herein contained or as to the rights or liabilities of either of the parties under this Agreement, the matter shall be first submitted to a Committee consisting of the following persons, *viz.*—

One expert appointed by the Government
One expert appointed by the Company and
One expert appointed by the British Resident in Mysore.

This Committee will report fully on the question at issue and their decision if unanimous will be binding on both parties in respect of any question of fact con-

cerning the supply and use of Electrical Power under this Agreement and in respect of any scientific question which may have arisen. In the event of either party not (subject to the provisions last hereinbefore contained with respect to the decision of the Committee if unanimous) being satisfied with the decision of the Committee or of the Committee not being unanimous the matter shall then be referred to two Arbitrators sitting in London who shall be appointed respectively by each party and this shall be deemed to be a submission within the meaning of the Arbitration Act 1889 or other statutory amendment thereof in force for the time being. The provisions of the said Act or amendment thereof shall apply to the submission with the following exceptions :—

(*a*) No evidence shall be admissible before the said Arbitrators or the Umpire other than the report or reports of the said Committee and this Agreement or certified copies of the said report or reports and agreement

(*b*) The Arbitrators or their Umpire shall make their or his award in writing, and give notice to the representatives of both parties in London that the same has been made, within two calender months after entering on the reference and shall not have power to enlarge the time for making their award.

(*c*) In the event of the Arbitrators or Umpire failing to make their or his award or to give notice that the same has been made to the representatives of both parties in London within the time appointed for making their award the report of the majority of the said Committee (if two or more members of the said Committee shall have agreed in their report) shall be binding on both parties.

18. If at any time during the period of this Agreement a portion exceeding one-fourth of the power to be supplied under this Agreement shall have been in disuse for a consecutive period of one year or if a portion exceeding one-fourth of the said power shall have been in disuse for a less period than a year and the Company fail to show reasonable probability that the portion so in disuse would be fully utilized for the remainder of the period of this Agreement, the Government reserves the right to discontinue the supply of such portion of the power and the Company agree on receipt of notice from the Government to that effect forthwith to disconnect the electro-motors installed to utilize the said portion of power in disuse and not to connect the same again to the distributing circuits without the consent of the Government.

19. This Agreement shall be construed according to, and all rights and remedies shall be regulated, by English Law.

20. This Agreement may be rescinded by either party by notice in writing to the other party if within three years from the date hereof the Government is not prepared to commence the supply of power.

21. If the main Agreement shall be rescinded under the power in that behalf conferred by Clause 5 thereof either of the parties hereto may by notice in writing to the other rescind this Agreement.

22. This Agreement is signed by John Taylor and Sons on behalf of the Government under the authority which they believe to be given to them in that

behalf by the main Agreement but they do not warrant the existence or continuance of that authority or the performance or observance of this contract by the Government and under no circumstances shall John Taylor and Sons incur any liability by reason of their signing this contract whether under the contract itself or under any warranty of authority which but for this clause might be implied by their signature thereof or on any other ground whatsoever.

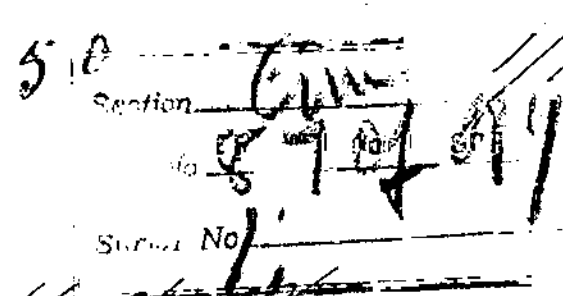
IN WITNESS whereof John Taylor and Sons on behalf of the Government have hereunto set their hands and the Company have caused their Common Seal to be hereunto affixed the day and year first above written.

Signed sealed and delivered by the above named John Taylor & Sons in the presence of

Sd/ — Francis
19. Gt Winchester Street
London E. C.
Solicitor

Sd/ John Taylor & Sons

Seal



My dear Sharan

Please read enclosed
telegram & return it to me
I go back to Calcutta 12 a
afternoon. You will find the
the telegram near the
Main Square - the hotel is
called the Lakshmi Square
is the hotel in Bombay.
with the enquiry about the

Allied

4

Fm. Paris
Fm. Washington

Cbs
Fm Col. McNeil Campbell
From Romans London
by 30th

main agreement clause 7
now blank filled—
Clause 12 now presented
Power allotted.
Signatures summed
Thursday

6th July 1900

Section 1
File No 8
Serial No 1

My dear Lewis

I enclose a telegram from which you will see that everything is now settled with the Mines Board. I have from Mr Ker and will be in communication with Mr Johnson & I will come down on the 7th at 8.30 a.m. to-morrow

Yours very
Jno Campbell

Code Class. XFP

INDIAN TELEGRAPHS

Monthly Number. 231

To (Office) Bangalore

From (Office) London

Words.	Day.	Hour.	Minute.	Official Instructions.
11	5		12	

To (Person)

From (Person)

Agreements signed for four thousand ninety one

32 Word Form.

F. C. T.

BANGALORE 6-7-00

Recd. from LN. At Hrs. Mts. by

Sent to LN. At Hrs. Mts. by

for Telegraph Master.

D. O. letter dated, Bangalore, 7th July 1900, from the Dewan of Mysore, to the Resident in Mysore.

S. No. 1 & 1 & 1

No. 46

S. No. We received yesterday from Captain Thomson, our London Secretary to the Kauveri Electrical Power Scheme, a wire to the effect that the Mining Companies in the Kolar Gold Field have signed contracts to buy from us an aggregate of four thousand and ninety one (4091) Electrical Horse Power. As this point is now satisfacotrily settled, there is no longer any uncertain element about the Scheme. I am accordingly proposing to embark upon the Scheme, by sending a wire to the General Electric Company of America, to accept their tender for the supply, erection and one year maintenance of the Electrical plant. This done, the Durbar will be committed to carry the scheme through. I propose to take this step to-day as we are very near the time when the tenders would lapse.

The financing of the Scheme will be done entirely out of State funds, and the payments required in England and America will be made through our London Bankers - Messrs. Coutts & Co.

The success of the Scheme is fully assured and I have taken every precaution to render any failure impossible. There is no reasonable ground for any apprehension regarding the suffi ciency of the water Supply for the 4091 Horse Power, which it is the aim of the present Scheme to generate, transmit and sell at prices which will repay the Capital Outlay with interest at 4 % in less than five years, and I hope that the Scheme will be in full working order within 20 months from to-day.

I do not think that the existing conditions point to the probability of a famine this year, but should unfortunately the future rains fail and a famine does happen, I have a sufficient reserve of funds for the relief measures required after providing for the requirements of the State, including the -

56

Section W
File No. 8-1-7-11
Serial No. 7

Dear Col Campbell.

In re the contract which has to be returned - in addition to the points in which you agreed with me, I think you may also suggest the omission of the clause with regard to sweets and suggest the substitution of the word "shall" for may in the arbitration clau

a to make reference
arbitration compulsory,
case of dispute, thereby
altogether avoiding
recourse to suit, for
reasons stated in
my memo.

Yours Sincerely

S/d J. R. A. Hamilton Kelly.

1/00